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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 14, 2016

Rusty Bastian
Redmond Minerals, Inc.
6005 North 100 West
Redmond, Utah 84652

Subject: Approval of Replacement Reclamation Surety, Redmond Minerals Inc., Redmond Minerals Mine, M/039/0002, Sanpete County, Utah

Dear Mr. Bastian:

On March 2, 2016, the Division of Oil, Gas and Mining received the replacement reclamation surety for the Redmond Minerals mine, located in Sanpete and Sevier counties, Utah. By December 2, 2015, the existing reclamation surety had been determined to be inadequate, based on early reclamation cost estimate calculations provided as part of the required updates to the Notice of Intention to Commence Large Mining Operations. The Division decided to accept the amount from the reclamation cost estimate of \$1,467,000 (escalated to 2019) as adequate until an updated reclamation cost estimate was approved as part of the ongoing amendment process.

Thank you for the replacement surety, provided as a letter of credit in the amount of \$1,467,000.00. A copy of the reclamation surety is attached.

If you have any questions concerning this letter, please contact Peter Brinton at (801) 538-5258.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:pnb:pb

Attachment: Copy updated surety

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